

**FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION
BOARD OF DIRECTORS MEETING**

Via Zoom
Delaware City, DE 19706
March 10, 2021
8:30 a.m.

Meeting Minutes

Board Members:

Bryon Short, Courtney Stewart, Danny Episcopo, Connie Holland, Pam Scott, Paul Parets, Laura Lee, David Baylor, Dale Slotter, Neal Dangelo, Dan Scholl, Shawn Garvin, Eric Smith, Ruth Ann Jones, David Mangler

Staff:

Jeff Randol, Executive Director
Bert Scoglietti, Treasurer
Peggy Thomas, Site Manager
Crystal Pini-McDaniel, Administrative Assistant
Max Walton, Connolly Gallagher
Richard Forsten, Saul Ewing

Members of the Public:

Mika Drake, Roberta DeLeo, Susan Rahn, Tim Konkus, Tim Diliplane, Bill Rhodunda, Billie Travalini, Chris Castagno, Nadine Frost, Nicole Poore

I. Call to Order

Mr. Short called the Fort DuPont Redevelopment and Preservation Corporation Board of Directors meeting to order at approximately 8:30 a.m.

II. Minutes

Mr. Short asked if there were any questions or comments regarding the February 2021 meeting minutes. Ms. Jones noted that Mr. Scoglietti was listed as a Board Member and should be listed instead as staff. With that change, a motion was made to approve the minutes of the February 2021 meeting by Mr. Parets, seconded by Ms. Scott. A roll call vote was taken, motion carried.

III. Legal

A. Proposed Delaware City Amendment to the HPR District. Mr. Walton gave a presentation (attached) outlining a proposed amendment to the HPR District and commented as follows: Delaware City Council presented a draft ordinance of zoning changes for the HPR district (Fort DuPont) at the city's council meeting on January 23, 2021, but the ordinance was tabled because no time was given to the full Council or FDRPC to review the changes. On February 4th, Mr. Walton and Mr. Randol met with Delaware City officials to discuss, work through and address the City's concerns driving the zoning changes. On February 17, 2021, Mr. Walton sent a draft ordinance to Delaware City's solicitor to hopefully address the city's concern regarding multi-family housing in the HPR district. On February 22, 2021, a draft ordinance that was more stringent than the former draft presented on January 23rd, was circulated to the City Council but

not provided to FDRPC or Mr. Walton. There was extensive conversation by Board members expressing concern over the proposed ordinance and its impact on development of Fort DuPont. Ms. Holland, State Planning, commenting that the proposed changes were troubling and created a problem for developers seeking to do business in the town. Also, that the changes were not consistent with good planning and raises legal issues if multi-family is eliminated. Mr. Smith asked if town houses were at risk. Mr. Walton said that the ordinance targets condominiums, stacked town houses and apartments. Mr. Garvin asked what Delaware City's issues and concerns are. Mr. Walton said that some had concerns with apartments and others with density. Ms. Lee stated that the changes are discriminatory in that they are not supportive of affordable housing. Mr. Slotter stated he had created a Facebook page called Delaware City Voices at Fort DuPont as another line of communication and feedback for the community at large and that he is not hearing residents speak against multi-family housing. Mr. Parets raised concern about relationship with the city and why the city was not communicating or working with Fort DuPont to come up with a mutually acceptable solution. Mr. Slotter also noted that density was always part of the master plan and necessary to get residents of Delaware City the services needed.

B. Amendment to BWD Agreement. Mr. Forsten stated this item will be discussed in executive session; Mr. Walton will recuse himself from the discussion.

IV. Treasurer's Report

A. Financial Report. Mr. Scoglietti highlighted the following line items for the period ending February 28, 2021:

- Page 1, Line 4010, State Appropriation – A request was made to DNREC to release the remaining \$275,000 balance which will be reflected on the March Financial Report.
- Line 4200 Real Estate Sales - No change over last month's report, however, Canal District sales continue to exceed budget expectations.
- Line 4530, Historic Tax Credits - Tax credits for Building 15 are expected to be received in FY21, tax credits for OBL duplexes are expected in FY22.
- Page 2, Line 4800, Bank Loans - Loan proceeds for Canal District infrastructure have been dispersed and are reflected on this month's report. Loan proceeds for the OBL duplexes will be dispersed once the lots have been subdivided.
- Page 3, Line 6716.30, Roads/Utilities Phase 1D – Road and utility expenses have increased \$20,000 since last month as construction continues in this section of the Canal District.
- Page 4, Line 7125 Snow & Ice Removal - Expenses are minimal due to another year of mild weather.
- Page 5, Line 7200 Debt Expense - Balance increase of \$500,000 takes into account the Applied Bank fund received for the Canal District.
- Net Income for the period is \$1,159,493.66.

B. Budget Review. Mr. Scoglietti presented a revised FY21 budget (handout) which takes into account project and timeline changes for the current fiscal year. The following items were highlighted:

- Real Estate Sales: Budgeted lower due to Blue Water and Lennar delays. Canal District sales remain strong.
- Historic Tax Credits: Decreased to reflect tax credits for OBL Duplexes being received next fiscal year.

- Payroll Expenses: Budgeted lower due to a vacant position.
- Professional Fees-Legal & Accounting: Budgeted higher due to audit expenses.
- Common Area Maintenance Revenue: Budgeted lower due to Governor Bacon vacating the site.
- Fortify Festival: Removed from FY21 budget but returns in FY22 with \$75,000 budgeted.
- Quartermaster District: New roofs included in the FY22 budget for Buildings 42 and 43.
- Expenses related to relocation of DNREC facilities were move into FY22 due to delay of BWD closing.

A vote on the proposed budget will be requested at the April board meeting. A vote on the FY22 budget will take place after July 2021 when the approved amount of the state appropriation is known. The audit being conducted by Belfint and Lyons is currently on track to meet the April 2021 deadline.

A motion to accept the Treasurer's Report as presented was made by Ms. Scott, seconded by Ms. Stewart. A roll call vote was taken, motion carried.

V. Executive Director's Report

Mr. Randol provided the following updates:

A. Relocation of Delmarva Utilities. Construction of the Roundabout will begin in Spring 2022 due in part to relocation of utility lines in the Canal District and on Rt 9 before work can begin. DelDot also needs to complete a project in Port Penn that is schedule to start in July 2021. The potential conflict in traffic detours was another reason for postponing construction to Spring of 2022. The cost for Delmarva Power to relocate utilities in advance of the Roundabout work is \$114,000 and reflected in the revised FY21 budget presented by Mr. Scoglietti. Mr. Randol requested Board approval to move forward with the utility work. A motion to authorize the Executive Director to proceed with Delmarva Power to relocate utilities was made by Ms. Scott, seconded by Mr. Parets. A roll call vote was taken, motion carried.

Mr. Smith asked about the status for natural gas. Mr. Randol said that he is in regular contact with Delmarva and still no firm date for installation. He has been told that they have received permits and have put the job out to bid. Delmarva has also agreed to cover the cost of converting homes from propane to natural gas.

B. Tilton Building. DHSS will vacate the Tilton building in July at which time FDRPC will become responsible for maintenance and utilities of the building and adjacent medical services building. The current plan for the two buildings is to convert them into office space.

C. Canal District. Rockwell is selling homes ahead of schedule. They also notified the Corporation that they will not exercise the option on lots 39-42, which are the lots located behind the Chapel. The lots were under agreement for \$90,000 each. Rockwell offered \$71,250 per lot. The offer was not accepted. Lennar has expressed interested in these lots, but a purchase would be tied to the Marina Village approvals. Lennar is also interested in the remaining lots fronting on Old Elm Ave.

VI. Committee Reports

A. Finance. Mr. Scoglietti stated the committee had no additional items to report other than the revised budget presented earlier and noted that Fort DuPont is tentatively scheduled for a budget hearing before the Bond Bill Committee on May 4th. The meeting may be held virtually.

B. DHPC. Ms. Lee stated the committee met in February to discuss plans for the Chapel, the garage at Building 15 and the proposed house plan for Lots 2 and 3 on Officers Row. Mr. Randol stated the Chapel plans were forwarded to SHPO where they are currently being reviewed. The DHPC will meet next on March 24 at 4:00 p.m.

C. Governance & Personnel. Ms. Stewart stated the committee met on February 26th. Currently, the Vice Chair position is vacant and the committee is recommending Mr. Baylor be appointed to serve in that position. A motion was made to appoint Mr. Baylor as Vice Chair by Mr. Parets, seconded by Mr. Garvin. Mr. Baylor accepted the nomination. A roll call vote was taken, motion approved.

Ms. Stewart also reviewed the committee's discussion on the Treasurer's position. After review of the By-Laws and discussion with counsel, it was understood that the Board could appoint an agent to serve in this position. With that understanding, the committee recommended that Mr. Scoglietti remain as the Corporation's Treasurer. A motion was made to appoint Mr. Scoglietti as Treasurer by Ms. Jones, seconded by Mr. Parets. Mr. Scoglietti accepted the nomination. A roll call vote was taken, motion approved.

Ms. Holland stated she will be officially retiring from the State Planning Office effective April 30, 2021 but will continue to follow the Fort's progress and remain involved.

VII. Delaware City Communications. Mr. Baylor stated there are no updates at this time, and added he heard the concerns raised earlier in the meeting and will share that feedback with Delaware City Council.

VIII. New Business

Mr. Slotter asked about the lot listings on Officers Row. Mr. Randol has requested a proposal from Patterson Schwartz.

Mr. Short asked Mr. Smith if there were any comments or follow-up to the February 8th Association meeting. Mr. Smith stated that residents were having further discussion on the need for an HOA and that Representative Longhurst had asked him to poll the residents.

IX. Public Comment– No public comments were made.

X. Adjourn to Executive Session -A motion was made to adjourn to Executive Session by Mr. Episcopo, seconded by Ms. Scott, and approved by the Board. The Board moved into executive session to discuss Item IIB on the agenda, Amendment to the BWD Agreement.

XI. Return to Public Session- Upon returning to Public Session, a motion was made by Ms. Stewart to amend the Bluewater Development Agreement with language that would indemnify the title company against legal fees with a cap not to exceed \$100,000. The motion was seconded by Mr. Parets. A roll call vote was taken, motion carried with Ms. Scott abstaining.

XII. Adjourn A motion to adjourn the meeting was made by Mr. Parets seconded by Mr. Episcopo motion carried unanimously. Meeting adjourned.